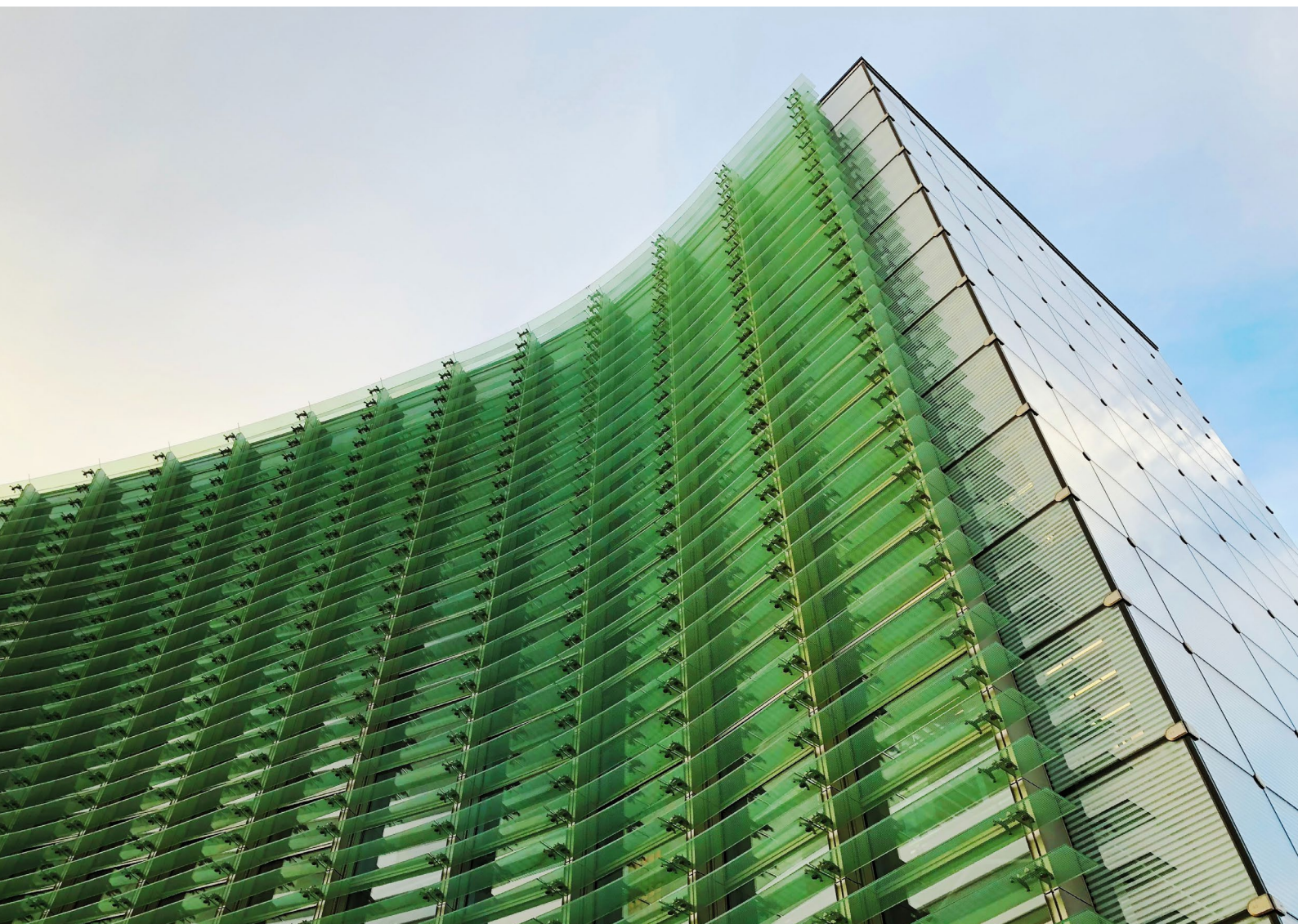




Waystone Management (UK) Limited

What are Costs and Charges?



Overview of Charges

There are a number of charges and costs that are incurred when investing in a fund. The charges that an investor pays are used to cover the costs of running the fund, including our charge for managing the fund. The value of an investment will reflect these charges and will be lower as a result.

Charges vary from fund to fund and between share classes. Further information about specific charges can be found in the relevant Key Investor Information Document (KIID).

The total cost of your investment may comprise of one-off charges, recurring annual charges and incidental costs.

	Explanation
ONE-OFF CHARGES	<p>Entry Charge This is the maximum that might be taken out of your investment before the deal is placed in your specified fund(s).</p> <p>For example, if you invest £1,000 in the fund, an entry charge of 5% means that £950 will be used to purchase shares in the fund.</p> <p>The entry charge covers the costs of setting up your investment, and may also cover payments to your financial adviser or any other firm through which you may invest.</p> <p>Most of our funds do not apply an entry fee but, if one does, details can be found on the relevant KIID and Prospectus.</p>
	<p>Exit Charge While we do not apply an exit charge by default, we reserve the right to make a charge where the Manager suspects excessive trading by an investor (specifically on subscriptions held for less than 90 days). The charge will be taken from your investment once your shares/units are sold.</p>
ANNUAL CHARGES	<p>Ongoing Charges The ongoing charge is expressed as a percentage amount charged to the fund.</p> <p>The charge covers all aspects of operating the fund during the fund's financial year.</p> <p>These include:</p> <ul style="list-style-type: none"> Annual Management Charge (AMC) – a charge covering the costs and fees that may be payable to the ACD and /or Investment Manager or Sponsor. These fees are usually (but not always) the cost of running the ACD and the investment management charges. Administration fees – the fee for administering the fund e.g. producing annual and interim reports, daily fund valuation and share/unit price calculation. Registration and dealing costs – the charges for providing registration services, (including establishing and maintaining sub-registers) and effecting transactions in the fund's units/shares. Depositary fees – fees payable for fund oversight and safekeeping. Custodian fees - fees payable for safekeeping of the fund's assets. Audit fees – fees payable for the review and verification of the fund's accounts. Legal fees – e.g. FCA fees. Research fees (if applicable) – fees charged to the fund by the Investment Manager to fund investment research to aid their investment decision making. Any other costs incurred by the fund, as permitted by the Prospectus. <p>Where a fund invests a significant amount of its assets in other funds, the Ongoing Charge Figure (OCF) includes the impact of the charges made in those other funds. These fees are also known as synthetic costs.</p> <p>Broker commissions, transfer taxes, stamp duty and the fund's performance fees (where applicable) do not form part of the ongoing charge calculation.</p> <p>All ongoing charges can be found in the KIID and the fund fact sheets.</p>

Explanation	
INCIDENTAL COSTS	<p>Transaction Costs This includes the expenses that arise from selling or buying investments in the fund, including redemption fees, transfer fees and broker commissions. Costs for a property fund may be significantly higher than an equity or bond fund, due to the additional transaction costs associated with buying or selling property.</p> <p>Please note that the Transaction Costs are factored into the dilution levy/adjustment rates applied to deals in the fund.</p> <p>For funds that invest in other funds there will be costs associated with the underlying funds.</p>
	<p>Property Expense Ratio (PER) There are a number of costs related to running and maintaining property funds that are not covered as part of the OCF. These additional costs are grouped together and expressed as a percentage of fund value to form the Property Expense Ratio (PER).</p>
	<p>Performance Fees These are payments made to an investment manager for generating positive returns and will be triggered when a fund meets its performance targets. This is in addition to the management fee, which is charged regardless of the fund returns.</p>

Generally, OCF rates are variable and can change throughout the year due to changes in the levels of fees charged to the fund, changes to the level of Assets under Management (AUM) or any other event which could affect the costs borne by the fund.

Other Things You Might Need to Understand About Costs...

Ongoing Charges Figure (OCF) – Fixed This is where the OCF of the fund is set at a specific level and cannot decrease or increase. Should the expenses go above this level, they will be paid by the Investment Manager.

Ongoing Charges Figure (OCF) – Capped This is where the OCF of the fund is capped at a certain figure. If costs are higher than the figure, the Investment Manager will pay the additional costs. However, if the fund's expenses fall below the cap, the OCF will reflect the actual figure.

More about Transaction Costs Transaction Costs is a broad name for a number of different charges:

WHAT IS AN EXPLICIT COST?

This is a cost charged to and paid directly by the fund to purchase and sell financial instruments. It includes broker commission, transaction taxes and exchange fees.

WHAT IS AN IMPLICIT COST?

Implicit costs are not easily identifiable, making them hard to quantify. They include transaction costs embedded in the bid-offer spread and the response of the market to a trade or the timing of a trade (market impact, opportunity cost, delay costs), also known as slippage. Slippage is calculated as the difference between the mid-market price of an asset at the time the order is placed in the market also known as the "Arrival Price" and the price at which the deal is struck, the "Execution Price".

WHAT IS AN ANTI-DILUTION ADJUSTMENT?

Funds typically have mechanisms that protect investors from the impact of increased transaction costs caused by large cash flows into or out of the fund, such as Swing Pricing or a Dilution Levy. The amount collected from the Anti-Dilution mechanisms is used to offset part of the transaction costs incurred. For UK funds the Anti-Dilution Benefit cannot take the overall cost figure below zero. This differs to EU funds which are floored at the minimum of the Explicit Cost.

More about Synthetic Costs

Synthetic OCFs are made up of:

- Open-Ended Synthetic – the aggregate figure of the charges incurred by the fund when investing in open-ended Collective Investment Schemes (CIS)
- Closed-Ended Synthetic – the aggregate figure of the charges incurred by the fund when investing in closed-ended CISs

Previously the published OCF across all scheme documentation was required to include open-ended and closed-ended synthetics. However, to improve transparency, the Financial Conduct Authority (FCA) and the Investment Association (IA) have updated their guidance regarding costs and charges disclosures by giving greater flexibility to provide a further breakdown of aggregate cost numbers. The updated IA guidance has removed the recommendation for a fund's charge to include the ongoing charges of closed-ended vehicles.

This means that the OCF rate displayed on the Key Investor Information Document (KIID) will not include the synthetic charges from underlying closed-ended funds. However, it will still include the open-ended synthetic charge.

Synthetic charges are only applicable to funds which invest in the units of other funds. Funds which do not invest in the units of other collective investment vehicles will not incur any synthetic charge.

Funds are required to disclose the underlying synthetic charge when a fund invests a significant proportion of its assets in collective investment schemes. WMUK has set this threshold at 10%. Therefore, for any funds which hold over 10% of their net asset value (NAV) in collectives, we have disclosed the open-ended synthetic costs, in the OCF rate published in the KIID.

MiFID II Costs

MiFID II requires all costs and charges to be disclosed before the point of sale. This means that the charges listed on any Packaged Retail and Insurance Based Investment Product (PRIIPs) Key Information Document (KID) and on the "EMT" ("European MiFID Template") will also include:

- Eligible closed-ended synthetics*
- Real Assets Synthetic (PER) OCF
- Portfolio Transaction Costs

* *The closed-ended synthetic costs include the charges incurred by the fund from investing in non-UK listed PRIIPS closed-ended investment products.*

The real assets synthetic OCF is the charge arising from any real assets that the fund holds, expressed as a percentage, that contributes to the MiFID II (PRIIP) OCF, as a result of any underlying real assets that the fund holds. For example, this could include property, where any underlying rent or council tax may have an effect on the OCF. This could also include precious metals as, if the fund physically held those metals, there would be underlying costs for storing them.

Therefore, the charges disclosed on the PRIIPs KID can be thought of as the total overall cost of investing in a fund including all synthetic and portfolio transaction costs.

Example Tables

Charge	Includes	%
Ongoing Charges Figure (OCF)	Annual Management Charge (AMC)	0.40%
	Administration fees	0.03%
	Registration and dealing fees	0.01%
	Depositary fees	0.01%
	Custodian fees	0.01%
	Audit fees	0.01%
	Legal fees	0.00%
	Research fees (if applicable)	0.00%
	Any other costs incurred by the fund, as permitted by the Prospectus	0.00%
	Open-ended synthetic costs	0.15%
OCF Total	0.62%	
MiFID II OCF	Entry fees	0.00%
	OCF (calculated as above)	0.62%
	Closed-ended synthetic costs	0.04%
	Real assets synthetic costs	0.00%
	Portfolio transaction costs	0.01%
	Performance fees	0.00%
	Exit fees	0.00%
MiFID II OCF Total	0.67%	

	Example Fund
Amount invested	£10,000
Entry charge – 0%	£0
MiFID II OCF – 0.67%	£67
Total costs	£67
Final amount	£9,933

The above table is shown to illustrate that if an example amount of £10,000 were to be invested, with a 0% entry charge, and a 0.67% MiFID II OCF applied, then the total costs to the investing individual would be £67. Therefore £9,933 of the original £10,000 would be invested in the relevant fund(s).

The above tables are shown for illustrative purposes only and do not take into account any portfolio gains or losses. The charges are based on a 12-month period.

The charges incurred for running the fund will be taken directly from your investment, you will not need to arrange any extra payment.

Waystone Management (UK) Limited ("WMUK") produces Key Investor Information Documents ("KIIDs") for the open-ended collective investment schemes it operates. KIIDs are intended to provide information "up front" i.e. in advance of any decision to invest. For more information on the KIID, please see our guide available at: www.waystone.com.

Annual and interim financial accounts are produced showing investors how the funds have performed over time. All these documents are readily available to investors on the WMUK website www.waystone.com.

Additionally, firms subject to the revised Markets in Financial Instruments Directive ("MiFID II") are required to provide clients with "appropriate information in good time" about "all costs and related charges" both before investing and on a periodic basis thereafter. Such firms include platforms, wealth managers and other intermediaries through which investors can also access our funds. WMUK supports these firms in meeting their obligations by making information available using a standardised spreadsheet, referred to as the "EMT" ("European MiFID Template").

Whilst the EMT file is intended primarily for use by firms subject to MiFID II, it contains additional information on costs compared to those contained in the KIIDs or fund report and accounts. Specifically, the EMT includes information on portfolio transaction costs, which are not currently included in the KIIDs.

In accordance with guidance issued by the Investment Association (IA), this document has been created to provide investors with a more detailed disclosure of the costs and charges associated with each fund for which WMUK acts as Authorised Fund Manager.